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ABSTRACT

This paper focuses on a system of recurrent education in which individuals would have the opportunities to undertake educational and training activities in alternation with periods of work. Underlying the paper is the assumption that the financing approach to such a system would have to encompass most forms of postcompulsory education and training, attempt to more nearly equalize access to and benefits of such training, promote the expansion of employment opportunities, and provide flexibility for supporting a large number of unorthodox educational and training alternatives. This paper develops a financing plan for recurrent education that would provide individual entitlements that could be used for any eligible programs. Each person would become eligible for such entitlements at age 16 or when compulsory schooling terminates. These entitlements could be used in any program that meets government eligibility requirements. Such programs could be sponsored by governments, nonprofit agencies, or profit-seeking institutions. Evidence on the potential of individual entitlements is drawn from the GI Bill. Also included are a presentation on the implementation of an individual entitlement plan as well as a discussion of criticisms of the approach. (Author/JM)

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INDIVIDUAL ENTITLEMENTS FOR RECURRENT EDUCATION

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Abstract

The present methods of financing post-compulsory education in the United States and Western Europe represent a highly diverse and uncoordinated approach to providing educational and training experiences. Under a system of recurrent education in which individuals would have the opportunities to undertake educational and training activities in alternation with periods of work it is necessary to create a more systematic financing approach which would: (1) encompass most or all forms of post-compulsory education and training; (2) more nearly equalize access to and benefits of such educational and training experiences; (3) promote the expansion of employment opportunities; and (4) provide flexibility for supporting a large number of non-orthodox educational and training alternatives.

This paper develops a plan that addresses these criteria by providing individual entitlements for recurrent education that could be used for any eligible programs. Each person would become eligible for such entitlements for further training and education at age 16 or at the age at which the compulsory schooling period terminates. These entitlements could be used to obtain further education and training in any program that meets the requirements set out by the government for program eligibility. Such programs could be sponsored by governments, non-profit agencies such as trade unions and religious institutions, or profit-seeking institutions. They might include virtually all of the existing post-secondary institutions such as the colleges and universities and training programs as well as apprenticeship and on-the-job training programs.

A description of the approach and its principal attributes is presented, and evidence on the potential of individual entitlements is drawn from the experience of the GI Bill of educational benefits for military veterans. This is followed by a presentation on the implementation of an individual entitlement plan as well as a discussion of some possible criticisms of the approach.

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INDIVIDUAL ENTITLEMENTS FOR RECURRENT EDUCATION

I. INTRODUCTION

Recurrent education is a theme that has come into widespread use throughout the OECD countries. In general, this term seems to refer to the broadening of both the scope and timing of educational and training activities so that such opportunities are made available over the entire lifespan and encompass a spectrum of endeavors from traditional university instruction and apprenticeships to retraining programs and cultural enrichment.[1] Under more conventional arrangements, education and training are typically limited to that period in one's life prior to entering the labor force and during the first few years of work. Under a program of recurrent education, the timing, and nature of educational and training activities would reflect the specific needs of the individual to meet his or her occupational or non-occupational goals as they arise over the life-cycle. While this definition represents only a general vision of the concept of recurrent education rather than a concrete description, its actual translation into specific forms is currently a subject for policy debate in the U.S., Japan, Australia, and most of the countries of Western Europe.

The advantage of the recurrent education approach is its purported flexibility in meeting specific individual needs for training and education as they arise as well as incorporating a wider range of possible alternatives into the education and training system. Under the present educational and training approaches, the heavy emphasis on providing such opportunities primarily for youth tends to ignore the special needs for periodic retraining, revitalization, and education for career mobility of adults. These needs are especially likely to be concentrated within the experienced workforce and among mothers who wish to enter or re-enter the labor market after raising young children. The purpose of this paper is to explore the use of a system of individual educational entitlements for financing recurrent education.

Socio-Economic Context of Education and Training

Before describing a plan of individual entitlements for financing recurrent education, it is important to establish the terms of reference that will be assumed in the discussion. The most important of these refer to the socio - economic context of education and training in the OECD countries.

(1) With only a few exceptions, the OECD countries are capitalist societies that are characterized by: (a) relatively few firms dominating most sectors of the economies; (b) distribution of income in which the top five to ten percent of income recipients have a greater share of natural income than the poorest 40-50 percent of the population; (c) relatively low levels of economic growth for the forseeable future; (d) relatively high levels of unemployment in comparison with the 1945-70 experience; and (e) increasing pressures for expansion of social services to alleviate inequalities and the hardships on the populations created by the "harsh edges" of monopoly capitalism.[2]

Taken together, these conditions suggest initial inequalities among individuals and families associated with the existing economic and social systems; a rising intervention of the States to cushion the inequalities and maintain the conditions of social reproduction; and a diminishing ability to provide the social resources to provide such services because of a falling rate of economic growth.

(2) Within OECD countries these inequalities are reflected in the educational attainments of their populations.[3] The amount and quality of education received is largely a function of the social class origins, sex, and geographical location of the individual. Youngsters from families of modest income and occupational attainments, females, and persons from rural origins are likely to receive less schooling and schooling of a lower quality than males and persons from higher socio-economic origins and from urban areas. Further, at the same level of educational attainment, persons from higher socio-economic backgrounds have access to better jobs, occupational attainments, and incomes. In addition, there is considerable unemployment and underemployment at all educational levels, including university completion. The labor markets of the OECD countries have shown an inability to absorb the large increases in recent years of university-educated young adults.

(3) During the compulsory period of schooling at the elementary and secondary levels, almost all schooling will take place in public institutions. While inequalities by social class, sex, and geographic location still persist in these institutions, those inequalities have been diminishing over time. Moreover, there will continue to be substantial increases in the proportion of the young that complete secondary school, and especially those that obtain the qualifications for obtaining admissions to post-secondary educational institutions.

(4) The present system of providing post-compulsory education and training tends to provide the greatest public support for students from the most advantaged families and the least public subsidies for person from the least-advantaged backgrounds.[4] This pattern is established by the fact that youngsters from lower income families are least likely to complete secondary training, and therefore they are less likely to be eligible for post-secondary educational opportunities. Further, the most advantaged students will complete an academic course of study at the secondary level, so they will be eligible to attend the most highly - subsidized part of the post-secondary educational system, the university. Students from lower socioeconomic backgrounds will be more likely to take post-secondary training -- if they participate at all at that level -- in community college, technical institutes, and short-course institutes. Programs associated with these alternatives tend to be of much shorter duration than university degree programs, and they also entail smaller resource requirements and public subsidies. Therefore, the present systems of post-secondary education and training tend to be inegalitarian with respect to their distributional implications.

(5) The present approaches to post-secondary education and training also introduce various distortions into both the educational choices of young people and the economic opportunities that will be afforded them later. First, public subsidies are not provided for all types of post - secondary educational and training experiences, but only certain types of orthodox educational alternatives such as the university and various other institutional training programs. While some OECD countries provide training subsidies as part of their active labor market policies, even these are restricted to selected areas.[5] The high level of subsi-

dization for some educational and training alternatives inevitably creates a bias in favor of choosing them in preference to those that are not subsidized.

Second, to the degree that the state assists the young in obtaining economic opportunities by providing such subsidies, it creates a bias towards overinvestment in "human capital" as opposed to physical capital. To a large degree these subsidies tend to stimulate the expansion of the supply of educated labor to corporate and government bureaucracies while reducing the training costs of those entities. Since most of the young who are fortunate enough to obtain post-secondary education and training do not have access to capital for creating self-employment, they must depend on the existing firms for jobs. These firms are able to take advantage of an expanding supply of trained labor with concommitant downward pressure on wages. Thus, indirectly the subsidies for post - secondary education and training represent a subsidy to existing owners of capital by reducing the wage costs of trained workers and by limiting the vast majority of the population to publicly subsidized investments in their training rather than providing assistance in obtaining ownership of capital.

Implications for Financing Recurrent Education

What are some of the implications of this socio-economic context for financing recurrent education? First, it would seem that any system of financing recurrent education would necessarily have to be integrated with existing forms of post-compulsory education and training. That is, it would seem that the design and finance of a system of post-compulsory education would include all education and training beyond the compulsory schooling period. This distinction between compulsory versus voluntary education and training represents the major distinction that characterizes adult recurrent education. That is, following the compulsory schooling period, one can choose the amount, type, and timing of further education and training. Thus, the existing set of post-compulsory opportunities must be integrated into the overall recurrent educational system, since all are voluntary options that are made after completion of compulsory schooling. Accordingly, a comprehensive

approach to recurrent education must encompass all traditional forms of post - secondary education and training along with any new forms that may emerge.

A second implication is that no approach to recurrent education, by itself, will solve problems of inequalities that emanate from the nature of the economic and social systems of the OECD countries.[6] The fact that the young will enter the post-compulsory period with different socioeconomic advantages and educational attainments is reason in itself to be wary of claims that adult recurrent education will resolve these inequalities when they were not resolved earlier. However, these inequalities should not be used as a basis for further unequal treatment in favor of advantaged populations. To the contrary, the organization and financing of national systems of recurrent education ought to be distinctly equalizing in both intent and outcome. As we will note below, this can be better achieved by providing entitlements with larger potential subsidies for further education and training to those populations that are the least advantaged.

A third implication is that any system for financing recurrent education should be flexible enough to provide support for a large number of non - orthodox educational and training alternatives as well as to provide a diversity of patterns of utilization. That is, if only the traditional forms of post-secondary instruction are eligible for support, the ability to create diversity in types of educational training experiences as well as flexibility in their utilization will be seriously compromised. A system of recurrent education should be designed in such a way that various types of options that are presently unavailable or even beyond our existing imagination might emerge and be compatible with the overall system of finance.

A final implication is that even with future reductions in the number of young who will be entering labor markets, problems on unemployment and underemployment are likely to continue into the future. Accordingly, the organization and financing of recurrent education ought to promote increases in employment opportunities as well as the expansion of trained labor. Vehicles for doing this will be discussed below.

II. THE NATURE OF INDIVIDUAL ENTITLEMENTS

Given this socio-economic context and its implications, it is possible to present a plan for financing recurrent education through a plan of post-compulsory entitlements for individuals.[7] An entitlement approach refers to the provision of a guaranteed amount that would be provided by the government for each eligible person to obtain education and training in the post-compulsory education period. The entitlements could be used for a wide variety of educational and training experiences including the universities, teacher-training colleges, short-cycle vocational programs, apprenticeships, on-the-job training, retraining programs, and adult education courses of both vocational and non-vocational types.

Essentially, the plan would work as follows. Each person would become eligible for an entitlement for further training and education at age 16 or the age at which the compulsory schooling period terminates. These entitlements could be used to obtain further education and training in any program that meets the requirements set out by the government for program eligibility. Such programs could be sponsored by governments, non-profit agencies such as trade unions and religious institutions, or profit-seeking institutions. They could include virtually all of the existing post-secondary institutions such as the colleges and universities and training programs as well as apprenticeship and on-the-job training programs. The exact nature of eligibility would be determined by the goals of the recurrent education approach. Program eligibility to receive and redeem entitlements from students would be based on standards set out by the government such as financial accountability, educational and training content, procedures for handling complaints from participants, and the provision of sufficient and accurate information on programs.

Such entitlements could be composed of both loans and grants where the total amount and composition of the entitlement would depend upon the family resources and other background characteristics of the student. For example, it might be expected that the amount of the entitlement and the grant portion, specifically, would be larger the more meager the resources of the student and

his or her family. In addition, the entitlement might vary according to the types of training or education that a student chooses to undertake with more support being provided for study in those fields that are considered to have a high social priority and unusually high costs.

Perhaps the most important aspect of the entitlement approach is that individuals could use it for any combination of eligible training or education programs up to the maximum amount of the entitlement. Moreover, the entitlement could be drawn upon over a considerable period of time both prior to entering the workforce and during the working period. In fact, it might be reasonable to permit entitlement accounts to accumulate interest as an incentive for the participant to consider carefully the recurrent and continuing education and training possibilities that will exist over the life-cycle. Programs would compete for students and their entitlements, and new offerings would arise to take account of emerging training needs.

A public information system would be developed that would make entitlement recipients aware of particular education and training programs as well as the opportunities that are available in different occupational fields. This systematic provision of information would also keep potential providers of programs informed about which areas showed high student or trainee demand and which ones were less attractive. Government support of post-compulsory education and training would be vested predominantly in the form of entitlements to individuals rather than of grants to support institutions directly, and these entitlements would create financial support for institutions according to the choices of the student or trainee participants. Moreover, all of the existing sources of public funding would be coordinated into one overall system of financial support to replace the present confounding diversity of funding programs.

To summarize, a system of post-compulsory entitlements would have the following five general properties:

(1) Public support of post-secondary education and training would be channeled to the student in the form of a promissory note or entitlement.

(2) The entitlement would obligate the government to provide a specified amount of grants and loans that could be used for participating in eligible education and training programs.

(3) The entitlement could be used over the lifetime of the student, and the unused portion would draw interest. The amount of the entitlement and its composition between grants and loans would be determined by the family resources of the student and other pertinent factors.

(4) Any education or training program meeting the eligibility requirements setout by the government could accept students with entitlements and redeem them for cash from the government treasury. Such institutions would probably include most existing colleges, universities, training institutes and training programs of trade unions, government, and industry. New programs would also be eligible to participate by meeting the specified eligibility requirements.

(5) Governments would sponsor an information and regulatory agency that would provide data for participants on training alternatives and their costs as well as program descriptions and performances and the job prospects among different occupations and training specializations. The agency would also set out the specific eligibility regulations that determine both the conditions of students and trainee participation on the one hand and the requirements that must be satisfied for program eligibility on the other.

Within this framework there are a variety of plans that might be constructed, each responding to different objectives. It is not possible to analyze the consequences of a post-compulsory entitlement approach without a discussion of the main features that will determine the outcomes.

The three major components of a post-compulsory entitlement plan are referred to as (1) the finance system; (2) the regulatory system; and (3) the information system.[8] The specific details of these three systems when taken together will determine the operations and outcomes of the entitlement approach. The finance system refers to the determination of how much the entitlement will be and how it will vary according to the characteristics of the participants and the options that they choose. The finance component also requires determination

of the composition of entitlements between loans and grants; the particular details of the loan and grant provisions; the method by which the government will obtain revenues for supporting the entitlement system; and the estimate of the total support requirements for the entitlement plan.

The regulatory system embraces the rules and regulations and the set of conditions under which the system will operate. These aspects include the definition of who is eligible to receive an entitlement, the amount of the entitlement as set out by the finance system and the conditions under which the entitlement could be used, the requirements for eligibility to redeem vouchers among providers of educational and training servies, and the nature and responsibilities of the regulatory agency that would monitor the post - compulsory entitlement approach.

Since an entitlement approach places a heavy emphasis on alternatives and choice, an information system must be constructed to provide useful and accessible information on these choices for both the individual participants and for the institutions and enterprises that wish to offer education and training to entitlement recipients. Examples of information that might be needed by the individual participants include program descriptions, personnel qualifications, curriculum, costs, enrollments, facilities, placement services and experiences of graduates, and the proportions of students completing training. Information for potential providers of services might include the distributions and levels of enrollments by types of education and training, costs, geographical distribution, and changes in the patterns of these indicators from year to year in order to discern trends. Of course, data on occupational trends would also be useful. Finally, the regulatory agency would require data to evaluate the success of the existing provisions, and it would also need to set out an efficient system for disseminating the information to the appropriate clientele.

Obviously the finance, regulatory, and information systems are not strictly independent of each other. For example, the definitions of eligibility for both individual participants and providers of training and educational services will have an important impact on the financial requirements

of the entitlement plan. Likewise, the degree of equity that is desired will have implications for both the regulatory mechanism and the finance system in that requirements will be set out with respect to how the entitlement might vary with the financial resources of the family of the recipient. These regulations will affect the method by which entitlements are allotted as well as the distribution and level of financial support for post-compulsory education and training across the population. Thus, while each of the three component systems might be addressed separately for purposes of constructing a post-compulsory entitlement plan, their interdependence should also be recognized in the coordination of the various aspects of the approach.

Before reviewing these three components more specifically with respect to their design and implementation, it is important to consider the potential of the individual entitlement approach for financing recurrent education and meeting the various criteria with respect to comprehensiveness, equity, flexibility, and the promotion of increases in employment that were set out in an earlier section.

Comprehensiveness

Individual entitlements enable a complete integration of existing forms of post-compulsory education and training as well as emerging ones, since the entitlement is neutral with respect to these alternatives. Under more conventional forms of financing post-compulsory education, educational and training institutions can only be established on the basis of a direct financing commitment from the government. This means that the provision of new opportunities must depend upon the acquisition of government support which creates cumbersome requirements for the initiation of new offerings as well as the loss of many potential training and educational programs that might be offered by private and non-profit sponsors. In contrast, the entitlement approach enables adults to use their education and training subsidies directly, whether for traditional university education or any other eligible post-compulsory alternative. Indeed, the financing mechanism is neutral with respect to the type of education or training, so that new offerings can be considered on their own merits rather than whether they fit a more traditional system of direct institutional subsidies. Individual entitlements enable a comprehensive approach to financing recurrent education that can not be found in the more "piece-meal" approaches that characterize the present system. And, they

can easily encompass future alternatives that are not yet on the drawing board.

Equity

While no claim is made that the distribution of income or adult opportunities will become more nearly equal under a plan of individual entitlements or under any other system of financing recurrent education, there are strong reasons for believing that the distribution of educational and training opportunities can become more equal.[9] There are three bases for this: (1) By making each person aware of the existence of an entitlement for post-compulsory education and training, it is more likely that he or she will make use of it than under the existing system where no entitlement exists. Under the present approach, only those persons who are aware of available educational and training opportunities--generally the more advantaged members of society--will seek out those options.[10] But, an entitlement will make all citizens fully aware of their eligibility for such opportunities. (2) It is expected that under a system of post-compulsory entitlements, new education and training choices will arise that will be more accessible and attractive to the less - advantaged members of society. That is, there will be an incentive by educational and training agencies to attract the "new clientele" who are not presently participating in post-compulsory education and training, but who will have the entitlements to do so under this new approach. (3) Under a system of post-compulsory entitlements, it is possible to tailor the size of the entitlement and the conditions of its use to favor persons from less advantaged backgrounds. In contrast, the present systems of financing post - compulsory education provide subsidies to institutions according to their educational and training costs rather than according to the socio-economic backgrounds of their clientele. By providing larger entitlements to persons from lower income families, such individuals will have a greater incentive to undertake post-compulsory education and training and will have the ability to undertake a greater amount of such experience.

Flexibility

The individual entitlement approach maximizes the flexibility of the overall recurrent education approach, since the subsidy can be used for any combination of training and educational opportunities that are selected by the entitlement recipient. The entitlement can be partially utilized before entering the workforce and partially utilized during intermittent periods of training during the individual's career. Or, the individual can apply the entitlement to a university education immediately following his graduation from school. Alternatively, the use of the entitlement can be deferred for several years beyond the school-leaving period, until after the recipient establishes his career. All of these patterns can be accomodated with no special arrangements.

Further, the entitlement can be utilized for any combination of educational or training activities that are accredited for its use. The government need only set out the various eligibility criteria with respect to the organizational requirements and types of education and training that will be eligible to be funded by entitlements. Both the state and private sector can offer education and training experiences, and there will be a strong incentive to meet the requirements and needs of students and trainees in order to attract adequate enrollments. Rather than the government facing the difficult challenge of setting out financing arrangements for large numbers of possible recurrent educational and training activities, the activities can be initiated with the knowledge that if they are attractive to adults they will receive funding from the entitlements of their enrollees.

Finally, there is great flexibility in this funding mechanism, since particular policy goals with respect to equity or special educational needs can also be targeted in an effective manner. For example, larger entitlements can be given to persons from underdeveloped areas or persons who will study in fields of high national priority. As we stated previously, the entitlement can be "pro-poor" in providing more resources to those who have the least ability to finance preparation for their own careers and who lack other advantages that would enhance their adult opportunities.

Increasing Employment

The mechanism of individual entitlements can also be used to increase employment for both individuals and groups of workers. The problem of both youth and adult unemployment is a very serious one in the OECD countries, and the slow rates of expected economic growth as well as technological change (e.g. the revolution in mini-computers) may make the existing job situation even more dismal. Post-compulsory investments in education and training operate only on the supply of human skills and capabilities and not on the demand for them. Accordingly, policies for increasing jobs must accompany policies for expanding training and educational opportunities.

At the very least, active labor market policies must be pursued to provide appropriate employment for educated and trained labor, and these policies should be coordinated with any policy of recurrent education.[11] However, the individual entitlement approach has some attractive features in itself for addressing both the retention of existing jobs and the creation of new ones. In at least three ways the entitlements can be used to create jobs for trained labor as an overall part of the recurrent education strategy.

First, many of the OECD countries are experiencing plant closures by multi-national corporations as such firms shift their activities to third world countries that promise greater profitability because of low wages and state repression of trade unions. In many of these cases the activities that are being transferred are still economically viable, but not as profitable as in countries where the permissable degree of labor exploitation is considerably higher. In such cases, the closure of the firm creates unemployment and great public expense in the form of redundancy or unemployment payments and public assistance.

If the firm can be shown to be viable, the workers can be offered the use of their redundancy or unemployment pay to purchase it with the assistance of government loans, and their remaining educational and training entitlements can be used to assist them in acquiring the training to undertake the management and operations of the plant. In this way, the state could assist the employees by training them at the employment site to operate their own

firm as a producer cooperative or another form of self-managed enterprise. It would seem that entitlements might be part of an effective strategy to retain jobs under the aegis of worker-owned firms in such circumstances.

Second, the entitlements might also be used to create jobs through permitting groups of adults to combine their entitlements to prepare them for starting collective enterprises that might be owned and managed as cooperatives. For example, if a group of persons proposed the creation of a small enterprise to the government, the appropriate government agency might investigate the potential viability of such a firm. If the basic plan seemed sound, the government might lend the group the necessary capital while using the firm's assets as collateral for the loan.[12] But, one of the crucial determinants for successful operation would be the proficiencies of the labor force for operating the business in a viable manner. It is here that post - compulsory educational entitlements can be combined to cover a training program for the workforce. Such training might be provided by the government with funding from the entitlements, and the fact that it would be done collectively rather than individually would enable persons to be trained to work with a unique set of co-workers for the specific requirements of the firm that was being established.

A third area in which post-compulsory educational and training entitlements might be used for job creation would be to set out a policy in which a portion of the entitlement could be used to purchase tools and equipment that are required for self-employment. Many persons who receive training in particular careers lack the access to capital to be self-employed. Examples include the manual crafts such as carpentry, welding, painting, and so on as well as professional ones such as accounting, law, and architecture. Rather, persons with training in these areas must typically seek employment with existing firms.

An alternative arrangement would permit entitlement recipients to acquire education and training and to use the entitlements for those capital investments that are approved by the regulatory agency as being pursuant to their careers. In this way some persons could not only acquire relevant job skills, but they could create jobs for themselves by investing in the physical capital

that is necessary for those careers.

The use of entitlements on both an individual and collective basis to pay for both training and the necessary physical capital could create additional jobs, especially in the service sector where large amounts of capital are not as necessary as in production. Examples of such services are those of mechanics, carpenters, artists, bookkeepers and accountants, landscape architects, maintenance specialists, gardeners, business consultants, and so on. While these uses of an entitlement approach would not address all of the employment problems of the OECD countries, they could be part of a policy mix that combines education and training with a job creation and retention approach.

Evidence on the Potential of Entitlements

Thus far we have asserted that individual entitlements represent a more comprehensive, equitable, and flexible approach to financing recurrent education, and we have suggested that they also have greater potential for combining education and training with job creation. Fortunately, there exists a substantial experience with individual entitlements in the United States, so it is possible to review the validity of some of these claims. Since 1944 the U.S. Government has provided educational benefits to military veterans under the so-called GI Bill.[13] Eligible veterans are provided with monthly payments while enrolled in accredited education and training programs. At the present time, a single veteran who is studying on a fulltime basis receives $311 a month, while veterans with dependents receive more. For example, a veteran with two dependents would receive $422 a month. Benefits may be used for up to 45 months of study. Thus, a single veteran is eligible for a total entitlement of about $14,000, and a married veteran with a child is eligible for an entitlement of about $19,000. An enormous variety of training and educational programs are accredited for GI Bill enrollees, with eligible institutions required to meet various educational, legal, financial, and reporting criteria for eligibility.[14]

Since 1944, more than 14 million veterans have received educational benefits under the three GI Bills that have been enacted during the last 35 years. In fiscal year 1976 about $6 billion was paid to veterans in educational benefits. This represented more than half of the federal expenditure on post-secondary education and training.[15] In sum, the GI Bill provides the equivalent of individual entitlements to veterans that can be used for a wide variety of educational and training options in both the public and private sectors. Further, it is a very substantial program with three decades of experience. Accordingly, it is interesting to observe the results of the GI Bill educational entitlements with respect to their comprehensiveness, equity, flexibility, and labor market effectiveness.

The comprehensiveness and flexibility aspects of the GI Bill can be reviewed together, because of their obvious overlap. The comprehensiveness is evident in that the entitlements can be received for enrolling in a wide range of approved programs including most colleges and universities, training institutes, on-the-job training programs, correspondence schools, and so on. In the 1977 fiscal year, almost three quarters of the GI Bill recipients chose to enroll in colleges and universities.[16] Of course, a substantial number of these were enrolled in the two year community colleges in career training programs rather than in four year academic courses of instruction. About one-tenth were studying in vocational and technical institutes, with almost an equal number engaged in on-the-job and farm training programs. The remainder were involved in correspondence schools, flight instruction, and high school completion. Among all veterans, almost 80 percent were in public institutions.[17]

Since the GI Bill permits veterans to utilize their educational benefits over the ten years following their military service, there is considerable time in which to choose and undertake educational experiences. Of course, even a decade is considerably shorter than a fully recurrent program (so participation would be higher over a longer permissable period). The use of the educational benefits can apply to part-time or full-time study, and they can also be used for correspondence school courses while fully employed. The benefits for anything less than full-time study are set at proportionately lower levels than for fulltime enrollees. The overall result of this compre-

hensiveness and flexibility is a rather high rate of utilization of educational benefits, with the current estimate that significantly over three-fifths of recent veteran cohorts will use their educational benefits.[18] This proportion is considerably higher than the post-secondary participation of non-veterans, which is somewhere between 40-50 percent. Further, it has been concluded from statistical analysis of enrollments that about one-third of all veteran students would not have undertaken the education and training in the absence of the GI Bill benefits.[19]

Even more impressive are the equity implications of the enrollment patterns. Although in the general population the post-compulsory enrollments of blacks are considerably lower than for whites, among veterans the blacks showed slightly higher rates of participation utilizing the educational benefits of the GI Bill.[20] After adjusting for test scores and prior educational attainments, the participation rate for blacks was found to be some nine percentage points higher than for equivalent whites.[21] Thus, the GI Bill entitlements seem to be considerably more effective in providing education and training to at least one major, economically disadvantaged group than the more traditional approaches.

But, of course, one question that might be raised is that of the quality of choices. That is, if the enrollees are simply using their entitlements in frivolous ways, the mere existence of a higher level and more equitable pattern of enrollments is not tantamount to a higher level of and more equitable educational benefits. Among a variety of sophisticated analyses comparing the earnings of veterans who had taken vocational training under the GI Bill and those who had not, it was found that earnings were about ten percent higher per year among the GI Bill group.[22] This is about twice as great a gain as that associated with government-sponsored Manpower Development Training Act (MDTA) programs. For black veterans who used their GI Bill benefits, the gains were even greater with a differential of 15 percent higher earnings over comparable blacks with similar educational attainments and test scores and no GI Bill training. Similar earnings gains were found for veterans who had used their entitlements for on-the-job training or college enrollments, although no racial comparisons were made.

In summary, the extensive experience with the GI Bill has shown that a general system of individual entitlements can be more comprehensive, flexible, and equitable than the more conventional methods for financing post - compulsory education and training, and there is some evidence that it is more effective in imparting skills that are remunerated in labor markets. The fact that blacks participate more fully in post-compulsory education and training and receive relatively larger benefits than whites is also a rather remarkable finding. Indeed, the redistributive effect of the GI Bill entitlements is particularly surprising when one considers that no "compensatory" entitlements are provided on the basis of family background, so that blacks and whites and rich and poor receive the same entitlements. The experience of the GI Bill suggests that individual entitlements represent a forward-looking approach for constructing an overall methods for financing recurrent education.

III. IMPLEMENTING A PLAN OF INDIVIDUAL ENTITLEMENTS

While the general description of a plausible entitlement plan can be described quite readily, the actual details require very careful formulation. At the end of the compulsory education period -- e.g., at age 16 -- individuals would be registered with the national entitlement agency. Based upon the various criteria of eligibility, they would be informed of their drawing-rights under the entitlement mechanism. Moreover, they would be assigned an identification number which would be used to keep records on the use of the entitlement such that it might be possible for a person to obtain quickly through computerized access the information on the amount of the entitlement that still remained as well as other pertinent information. In order to utilize the remaining value of the entitlement, the individual would apply to the entitlement agency to undertake additional study or training from an eligible provider. The agency would provide a draft or voucher that could be redeemed by the provider for cash by submitting it upon receipt to the government treasury.

All of the accounting and records would be maintained by the national entitlement agency, and an annual or periodic report would be issued to each registered individual regarding the drawing rights that were still credited to him. Possibly the unused balances would draw interest in order to compensate individuals who distribute their entitlement over longer periods. And,

at retirement age it might be appropriate to refund to the individual any unexpended balance or it could be given to his estate in case of early death. In this way the entitlement recipients would not be pressed to utilize the entitlement in frivolous ways, and the returns to any use would be balanced against simply permitting the value to accumulate with interest until retirement. This would be an especially important provision for establishing equity for persons from less-advantaged backgrounds, who have historically been less able and less likely to take advantage of post-compulsory schooling opportunities.[23]

Finance

A number of particular questions must be resolved to construct the other financing details. These include (1) the source of revenues, (2) the size of entitlements, (3) the manner by which entitlements will vary according to the characteristics of the recipient and training choice, (4) composition of entitlements between grants and loans, and (5) total public support requirements. Each of these will be addressed briefly.

(1) Source of Revenues

There is no single approach to the method of providing government revenues for post-compulsory entitlements. The different countries of the OECD have different tax systems with respect to the degree that they rely upon value-added or turnover taxes, personal income taxes, excise taxes, and business taxes. But a strong case can be made for obtaining revenues from a broad-based tax rather than a payroll tax. That is, such a program should not be paid for by workers alone, but by all segments of the population.[24]

Unfortunately, much of the recent literature on the particular forms of recurrent education and training such as educational sabbaticals has focused on the use of a payroll tax that would provide a trust fund for such expenditures somewhat similar to the Social Security programs in the United States.[25] The principle underlying this view seems to be that educational leave and life-long education are necessary ingredients for everyone -- at least everyone in the labor force -- and a provision should be made for this by imposing a mandatory tax on employers and employees that would be earmarked for such a function.

However, the use of a payroll tax for such purposes has a number of very serious deficiencies.[26] First, unlike the social insurance concept, the use of the entitlement is voluntary rather than being based upon a certain event such as retirement or a contingency such as death or disability. Those persons who did not utilize their entitlements would nevertheless pay for them, and the historical record suggests that the least advantaged workers would be the least likely to utilize fully their entitlements.[27] Thus, a payroll tax on all workers would imply a subsidy of those who did use fully their entitlements by those that did not, a redistribution of wealth in favor of the more advantaged (unless unused entitlements were permitted to accumulate interest and revert to the worker at retirement or to his estate in case of premature death).

Moreover, the payroll tax tends to be regressive. In fact, it has been found to be the most regressive major tax in the US tax system.[28] Since it is a tax on labor earnings rather than on such sources of unearned income as rents, divident, profits, and interest, this means that the very sources of income that characterize the rich are untouched while the working poor and middle classes are forced to support the entitlement system. That is, the one-third or so of national income that is derived from capital and that is concentrated among the wealthiest families in all societies will be excused from supporting the post-compulsory education and training system. If the tax is levied in a fashion similar to the present Social Security tax in the United States, it would apply as a constant tax rate up to a maximum level of earnings so that earnings beyond the maximum level would not be taxed. This too means that a higher proportion of a poor person's income will be taxed than one with a higher salary. Indeed, it was estimated for 1966 that the U.S. payroll tax represented about twice as high a proportion of annual incomes for recipients under $15,000 as it did for those with incomes in the $30,000-50,000 range.[29] Thus, the use of a payroll tax to support post-complusory entitlements should be examined with great circumspection.

(2) Size of Entitlements

The following factors would seem to be important in setting the size of the basic entitlements: the costs that the government presently incurs in subsidizing students in public institutions of higher education and public - supported training programs; the total direct cost of the various post-compulsory

education and training programs; and the foregone earnings or the costs of maintenance for a student for normal living expenses. The importance of the present government subsidy is that it gives a guideline for the level of support to post-compulsory education that the government has already shown its willingness to provide. The total cost of various types of training might be instructive for modifications of this amount. Finally, it is important to consider the other costs of obtaining post-secondary education and training that are reflected in the lost earnings of students or the costs of maintaining the student during his periods of study in order to ascertain whether these should be subsidized.

For example, the average subsidy per student in four year public institutions in states such as California is about $2500-3000 suggesting that the state is willing to pay about $10,000-12,000 for the four year course of study leading to the B.A. degree. Of course, the state and federal governments provide other types of support for particularly needy or exceptional students as well as for those eligible to receive benefits under the programs for military veterans and Social Security. As a first approximation, it might be useful to think of this amount of $10,000-12,000 as the basic entitlement that would be made available to all students, not just those who complete a four year program at a public college or university.

But even this amount would not be adequate to cover the indirect costs of study reflected in foregone earnings or in the living expenses for students and trainees. Accordingly, it may be necessary to consider possible additions to the entitlements under some circumstances as well as the provision of loan programs for expenses beyond the entitlement. The composition of such loans and grants might vary according to the social class background of the eligible individual and other factors.

(3) Characteristics That Might Alter Basic Entitlements

While the setting of the basic entitlement is necessary for establishing a general baseline for the entitlement program, it is useful to consider the circumstances under which the entitlement might be varied because of the particular characteristics of the recipient or because of his or her educational or training choice. For middle and upper income families an entitlement of

$12,000 might be quite adequate for enabling their offspring to undertake post-secondary education and training. While $12,000 might not be enough to pay all of the direct costs and the living costs of the post-compulsory endeavor, such families have additional resources to provide such payments. Thus, a combination of family resources, student earnings from part-time work and summer employment, and loans could be used to supplement the entitlement.

But, persons from lower income backgrounds are not in such an enviable position. Their families are less likely to provide either the additional direct costs of post-secondary education such as the balance of tuition or expenses for books and materials that might not be covered by entitlements. They are also less able to provide the living expenses and to forego the earnings that would be obtained from work rather than study. Finally, even their access to part-time work might be compromised relative to their more - advantaged counterparts because of their lack of connections and information which often secure such jobs for middle and upper class youngsters.

Accordingly, it would seem that to obtain high levels of participation in post-secondary education and training among low income populations it will be necessary to provide entitlements that would cover other educational expenses as well as the costs of maintaining the trainee or student. One important aspect of the finance system would be to design the entitlements to take account of differences in family backgrounds and resources.

A second dimension along which entitlements might be expected to vary would be in those cases that training programs were of unusually long duration while having a high social benefit. In those instances the amount of the entitlement might be increased in order to account for the relatively longer training period, and to encourage persons to enter those professions. Of course, this type of problem might also be solved by a liberal policy of loans that could be repaid from the future earnings of the recipients. Certainly, additional subsidies for the training of physicians will not in themselves expand the number of physicians who are trained, and such graduates can easily pay their loans out of their extraordinarily high incomes received during their professional lives (at least in countries like the U.S. and West Germany). Thus, the adjustment of entitlements for long program duration and

high program costs should be justified on the basis of associated social benefits of the policy rather than automatically allocating a larger entitlement for more expensive training.

Also, an entitlement might be increased in those exceptionally meritorious cases where it could be argued that the development of extremely scarce talent required the additional investment. For example, persons of exceedingly high scholarly, artistic, mechanical, or scientific merit might be chosen to receive highly specialized training beyond that which might be available for the average person in their career. Again, the social benefits of developing such talent represent the basis for the larger, special entitlements where the talent would be identified by some reasonable set of procedures. The social benefits of such a policy would be reflected in the potential cultural, scientific, and technical discoveries, as well as the potential contributions to the artistic, cultural, and material well-being of the society.

(4) Composition of Entitlements Between Loans and Grants

A very important issue that has arisen more generally in the debate over post-compulsory educational and training finance is the justification for providing loans rather than grants. According to some analysts the primary benefits from post-secondary investments are those received by the individual in the form of higher earnings. Accordingly, they recommend that assistance for such education and training take the form of income-contingent loans, those that are repaid out of the higher earnings received by those with the additional training.[30] An alternative argument is that the benefits of such educational and training endeavors are shared between society and the individual and some basis is supplied for providing a subsidy for post-secondary educational and training endeavors. These benefits include the benefits of equalizing access to educational opportunities. Even in this case it is not argued that society should bear all of the costs of post-compulsory education, but only that portion which reflects the social share of benefits.

But, the territory between the social provision of complete grants for all post-compulsory training and education and that of loans, alone, is a vast one with all types of combinations of loan and grant plans. Thus, it is important to reflect on the composition of entitlements between loans and grants. We have

suggested at the outset of the design of the entitlement that one possibility would be to provide a $10,000-12,000 entitlement for everyone with some increase in entitlement for selected populations that are considered to be disadvantaged with respect to post-secondary education and training opportunities. We also suggested that a system of loans should be provided for persons who need more than the $10,000-12,000 or other set amount.

But, there exist a number of other possibilities for combining grants and loans into "dual entitlements." For example, it may be more useful to think of every person being eligible for a specified sum of grants and loans depending upon family background. In such an instance the person from a very wealthy background would only be eligible for a "loan" entitlement to be repaid out of his future income. The person from the most disadvantaged families would be eligible for a "grant" entitlement that would cover both the direct costs of education as well as living costs. Between these two extremes the plan would provide various combinations of loans and grants so that the person who came from the middle of the social class distribution received the $10,000-12,000 grant entitlement and was also eligible for loans. An individual somewhat higher on the social class scale would receive $8,000 in grants and loan eligibility.

Such an approach would have a number of advantages over the flat entitlement grant. First, individuals who came from families that had ample resources to pay for their post-compulsory training and educational experiences would not receive as large a subsidy as those from families who lacked such resources. Yet, even if the children in such families wished to establish independent status they would be eligible for loans so that they would not be dependent upon their families' largesse. Since the loans would be repaid out of their future income and they would be likely to share in the financial resources of their families eventually, such an arrangement would create flexibility, independence, and still a modicum of equity. Second, individuals from middle income backgrounds would receive a dual-entitlement of grants and loans that would provide an appropriate subsidy while accounting for their family resources. Again, a substantial amount of flexibility would be afforded the student and his family in choosing how much of the expense beyond the entitlement grant would be funded from savings and family contributions, part-time or full-time earnings while

undertaking post-compulsory programs, and loans that would be repaid from future earnings.

(5) Total Public Support Requirement

A final related issue on financing an entitlement plan is what it will cost government. The answer to this query depends on the size of entitlements and patterns of participation as well as on the specific construction of the plan between loans and grants and the degree to which existing public subsidies to post-compulsory institutions and training programs as well as those given to individuals under existing grant programs would be combined to underwrite an entitlement approach. The complicated nature of this problem is reflected by the fact that most direct support for post-compulsory education is provided to particular institutions with another portion going to students and trainees in the form of scholarships, fellowships, and maintenance grants or loans. These would have to be combined under an entitlement approach, and institutions would be required to obtain their support directly from the student entitlements rather than from the government budgets.

Of course, it might be possible to provide direct support for institutions such as universities so that tenure obligations and budgetary planning could continue on the same basis as before, while simply charging the student entitlement accounts for those persons attending the university. If student enrollments shrink below those that are adequate to provide entitlement support for university budgets, the government might require a long-run reduction of university resources for meeting student needs. But, this process would certainly cushion the short-run fluctuations that might disrupt the university planning processes if they were to depend for their income exclusively on the entitlements that they were able to obtain from enrollment period to enrollment period. Another alternative would be to require universities to obtain their support directly from the entitlements while permitting a substantial financial reserve to cushion short-run fluctuations from period to period.

For planning purposes it would be possible to estimate the approximate public expense for post-compulsory entitlements on the basis of a concrete determination of eligibility requirements for participants, size of entitlements, and fields in which entitlements could be used. This would be done by first ascertaining the number of eligible recipients and calculating the total amount of entitlements that they would receive in the forms of grants and loans.

Next, we would need to assess the probable behavior of different sub-groups with respect to the amount of their entitlement that they would utilize and the time pattern of utilization. This would yield an estimate of total annual entitlement costs for a particular cohort. For the United States, some data might be derived on these matters from the experience under the GI Bill.

Regulation of the Entitlement System

In addition to the financial arrangements for constructing a system of post-compulsory entitlements, it is necessary to establish a regulatory system. In this section we review briefly the nature of the regulatory system and the types of decisions that must be made with respect to setting out regulations. A National Entitlement Agency would need to be established to administer the entitlements. This agency would have at least six major functions:

1 - The agency would process applications for entitlements, establishing the eligibility of the individual according to the law.

2 - The level and composition of each entitlement would have to be determined for each applicant on the basis of the appropriate criteria.

3 - Continuous and accurate records on the utilization of the entitlement and unexpended portions would be maintained for each individual.

4 - An information system would be designed and operated by the agency, and dissemination of accurate information to both individuals and institutions on educational and training alternatives would be provided.

5 - The regulatory agency would enforce eligibility standards for participating institutions and programs through initial screening of providers followed by periodic audits and reviews of complaints or violations.

6 - An adjudicatory mechanism would be maintained by the regulatory agency for settling disputes that might arise between program sponsors and enrollees.

In addition to establishing a regulatory agency to administer the entitlements for recurrent education, a number of laws and regulations would have to be created for the operation of the entitlement system. Among these are the following:

1 - Who is eligible to receive an entitlement?

2 - What are the characteristics that determine the size of the entitlement?

3 - What types of education and training experiences or other types of investments can the entitlement be used for?

4 - What are the eligibility requirements for accrediting educational and training institutions to receive entitlements?

5 - What kinds of information would the regulatory agency collect for purposes of dissemination on the characteristics and performance of the accredited educational and training institution.

The criteria for answering these questions and constructing an entitlement plan are reviewed at some length in a more extensive discussion on the subject, so they will not be discussed in this paper. However, the answers to these questions will depend clearly on national policy toward recurrent education as well as other factors that are unique to each of the OECD countries.

IV. SUMMARY

The whole notion of recurrent education is one that is characterized by diversity. Both the types of educational experiences and their timing over the lifespan would deviate from the predictable conventions of existing educational and training systems. The very notion of recurrent education suggests that it cannot be codified easily according to existing educational and training institutions, experiences, or certificates. Rather, the offerings under such an approach are likely to evolve in directions that cannot be readily projected at the moment.

The individual entitlement approach represents a device for financing recurrent education that is perfectly compatible with both the diversity and uncertainty of future developments in this direction. Rather than setting out specific types of financing approaches for each type of recurrent education, individual entitlements enable a systematic solution to the financing issue. Further, we have asserted that the individual entitlement mechanism can provide a financing scheme that is more comprehensive, flexible, and equitable than present government educational and training programs. Finally,

it offers greater possibilities for effectively integrating policies for job creation and retention with those for education and training.

One question that has not been addressed is the cost of individual entitlements in the aggregate. Obviously, it is impossible to provide any estimate of costs without a clear specification of a particular entitlement plan and the designation of a specific country. However, given some rudimentary notion of the particular arrangements for any society, it would be possible to provide an approximate picture of the costs. Of course, it should be borne in mind that not all of the costs associated with entitlements would be added ones. A very high proportion of them would represent ones that were already obligated for existing educational and training commitments, since the proposed entitlements would largely replace traditional funding of the present system of post-compulsory education.

Some Possible Criticisms of Entitlements

Although I have suggested that entitlements represent a more suitable approach to financing recurrent education than the more fragmentary approach that is presently being pursued, where each type of program must seek its own funding on an ad hoc basis, there are clearly sources of resistance and criticisms of the approach. In this final section of the paper, I wish to review these. For example, the noted economist Friedrick Edding has provided constructive comments on an earlier version of this proposal:[31]

(1) Edding asks whether a centralized approach to funding might not stifle alternatives and choice by showing tendencies"...to kill decentralized initiatives." The answer is that the purpose of such a central entitlement agency is to regulate and monitor the granting and use of entitlements and accredit institutions for receiving them. This is essentially a coordinating and banking arrangement, and it does not preclude any set of recurrent educational alternatives that might arise under other funding approaches. To the degree that it promotes the formation of recurrent educational alternatives among citizen groups, non - profit institutions, and other non-governmental entities, the outcome is likely to be more diversity rather than less. Even more to the point is the considerable diversity of opportunities

for recurrent education that are funded under GI Bill entitlements in the U.S. To my knowledge, no one has ever criticized the GI Bill educational benefits because they stifle new initiatives and educational departures. More typically it is argued that they stimulate too many new ones that have only marginal value.[32] The latter problem may be a more serious one of any plan for recurrent education, where not everyone will agree on the value of particular non-traditional educational alternatives that arise.

(2) Edding further raises the question of whether the more traditional parts of the educational system such as the non-compulsory portions of upper secondary education and traditional higher education are compatible with the entitlement approach. His main point is that the more traditional segments do not require the student to engage in productive work, while the recurrent approach assumes alternation of work and education. Further, he suggests that complete replacement by an entitlement system of all post-compulsory education and training would be more costly from both a political and financial perspective, and he posits the alternative that such a system of entitlements might best be restricted to those beyond the traditional higher educational period (for example age 25 and over). This modification might be desirable from a political perspective; but it will surely undermine the equity criterion, since it is very important to integrate the education and training benefits received before the age of 25 with those received beyond that age. Further, while raising the age of eligibility would surely reduce the funds required for entitlements, the change would not reduce the total resource demands for post-compulsory educational subsidies. That is, the total of such subsidies would just be divided into two sets of funding requirements (one for those under 25 and another for those over 25), and it is not clear what the value of this separation would be beyond its symbolism and the political value of not challenging the more traditional parts of the post-compulsory educational sector with a new financing mechanism.

(3) Edding is also concerned that an entitlement scheme would reduce or preclude private support for recurrent education and training such as that of firms, trade unions, and so on. There are at least two reasons that private support is likely to be forthcoming under an entitlement approach. First, persons from more advantaged families would have smaller entitlement grants, and they would need to supplement these from their own sources. Moreover, the entitlements generally would be finite so that they would not cover unlimited educational and training experiences. Indeed, private supplementation would be encouraged by both of these aspects. Second, not all recurrent activities need be included in the entitlement system, if it is clear that they neither merit nor require public support. For example, much job training is a highly routinized part of a distinct set of experiences and career ladders in the firm that is difficult to separate from the performance of the job itself. Typically, this is called "learning-by-doing." There is no reason to provide entitlement subsidies for these activities. Also, activities that might generally be considered frivolous might be excluded from accreditation for entitlements. In those cases, only private funds would be used. It is not clear that private support would be either higher or lower under entitlements, and the answer would surely depend on the specific entitlement approach.

(4) Edding raises a question of whether the consumer can be adequately informed about the nature of educational and training choices under an entitlement approach. The answer is that this will require both a well-designed information system as well as the existence of appropriate incentives for training and educational institutions to provide accurate data on their operations. While this type of problem will exist under any approach to financing recurrent education, the fact that the regulatory and information systems can be combined under an entitlement approach provides a comprehensive and coordinated strategy for educating entitlement recipients directly on the available and appropriate choices. The competition for entitlements also provides incentives to give potential clientele suitable information.

(5) A final issue posed by Edding is whether entitlements ought to be a complement or substitute for educational leaves of absence. He suggests some good reasons for coordinating -- but not substituting -- entitlements for programs of educational leave. Certainly, a useful entitlement approach should be constructed to take account of other programs that can not be easily replaced by individual entitlements. These circumstances vary from country to country.[33]

All of Edding's points are useful ones for considering entitlement approaches to post-compulsory education and training and testing them. Edding suggests that at least initially there ought to be only partial replacement of the existing financing apparatus in order to see how the entitlement scheme works and to enable us to modify and improve its shortcomings where they are evident. This seems to be a constructive way of ascertaining whether the individual entitlement approach to financing recurrent education has as much promise as is suggested by both the conceptual arguments and the experience under the GI Bill in the United States.

FOOTNOTES

1. For examples of this literature see OECD 1975 and 1978; C. Stalford 1978, and R. Peterson 1979.

2. Data on the income distributions are found in S. Jain 1975. Economic growth prospects are summarized in the various issues of Economic Outlook issued regularly by OECD.

3. These contentions are documented in H. Levin 1976 and 1978b.

4. See H. Levin 1976 and H. Levin 1978a for details.

5. An insightful analysis of problems inherent in these programs is G. Lenhardt 1978.

6. See H. Levin 1976 and 1978b.

7. This presentation on individual entitlements builds on a number of previous papers written on the subject. See particulary H. Levin 1977a and 1977b and N. Kurland 1977.

8. The detailed presentation and analysis of these three components are found in H. Levin 1977a.

9. The distinctions between the distribution of educational opportunities and outcomes and adult opportunities and outcomes with respect to occupational attainments and income are addressed in H. Levin 1978a.

10. In 1975 only about one-fifth of adult learners in the United States had not participated in education at the college level. That is, about four-fifths had undertaken at least some college training, and almost 60 percent had at least one college degree. See K.P. Cross 1978: 9.

11. See the survey of these policies in R. Haveman and G. Christainsen 1978 and J. Palmer 1978. The origins of an active labor market policy are generally credited to G. Rehn. See G. Rehn and E. Lundberg 1963 and R. Meidner and R. Anderson 1973.

12. Government policies to promote employee ownership are discussed within a much wider framework in Rudolf Meidner 1978.

13. Recent evaluations and analyses of the GI Bill are Congressional Budget Office 1978, D. M. O'Neill 1977 and D. M. O'Neill and S. Ross 1976.

14. O'Neill and Ross 1976: Appendix A describes these provisions.

15. Ibid., p. 1.

16. Congressional Budget Office, p. 6.

Footnotes

17. Ibid., p. 7.

18. O'Neill and Ross, p. 44.

19. Congressional Budget Office, pp. 12-13.

20. O'Neill and Ross, p. 53.

21. Ibid., p. 58.

22. All of the findings on earnings are in Ibid., Chap. 2

23. See Harnqvist 1978; Rosenthal 1976; and Cross 1978 for evidence on this contention as well as Levin 1976 and 1978a.

24. It may appear that because most payroll taxes require a mandatory contribution by the employer, that it is employers who are bearing at least that portion of the tax. However, it is generally agreed that in the long run such "employer" contributions are shifted to employees in the form of lower wages and salaries than they would otherwise receive. See John Brittain 1972: pp. 60-81.

25. Suggestions in this direction are found in Kurland 1974; Striner 1972; U.S. Department of HEW 1973: pp. 126-134; and are reflected in actuality in the French Law of 1971 on educational leave for workers. See H. A. Levine 1974.

26. See the useful discussion by L. Emmerij 1979, especially with reference to the Dutch case regarding the use of social security funding.

27. See references in footnote 23.

28. Pechman and Okner 1974: p. 59.

29. Ibid.

30. A comprehensive treatment of student loan plans is R. Hartman 1971.

31. F. Edding 1977.

32. This has always been considered a greater problem than that an entitlement mechanism will stifle diversity. Some of the problems of regulating and accrediting proprietary vocational and home study schools are found in a comprehensive report of the U.S. Federal Trade Commission 1976. In an extensive discussion of accreditation and procedures to control fraud and maintain quality, O'Neill and Ross conclude that these are not major, intrinsic problems for an entitlement approach. See Appendix A.

33. L. Emmerij 1979.

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